

## Kelly Services

Approver: LJE

Request:

1. 50% Worst Case license discount, 9iAS at store
2. 40% one-year price hold
3. Flat line support in Yrs. 2 and 3. 5% annual cap in Yrs. 4 and 5

### Deal Summary:

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Product Mix:	E-Business Application Suite/ 9iAS
License Discount	50% worst case (proposing 30%), 9iAS at store
Support Discount	50% worst case (proposing 30%), 9iAS at store
Support Options/Holds	Flat line support for 3years, 5% cap in years 4 and 5 (to match OCS UUP/hosting program)
Price Holds	40% for one year for products on order
List License	\$7,435,000.00
List Support	\$1,407,945.55 incremental (+ migration roll-in)
Net License	\$1,995,500.00 incremental (+\$ 1,722,000 Migration credit)
Net Support	\$842,655.55 incremental (+migration roll-in)
Net Price	\$2,838,155.55 L&S (plus \$1,427,520.00 annually for 5 years of Hosting and Unlimited Upgrade Program)
Price List Used	April 11, 2002

Justification:

Kelly Services has been an Oracle Application Customer for five years. They have spent \$35 M total with Oracle and feel they have not obtained an adequate return on their investment to-date. Kelly has upgraded approx. 1/3 of their applications to 11i with significant difficulty. They have budgeted to upgrade the rest of their applications this year (\$4M-\$5M). They also intend to expand their footprint to include a global roll-out of HR and global Financials. They are talking to Peoplesoft on the HR front and we are concerned that discussion will expand to include financials.

We are comparing the E-Business suite migration along with the hosting / Unlimited Upgrade Program (UUP) to the dollars they plan on spending with outside consulting (not OCS) this year for upgrading. We need the costs of the migration and hosting to be in line with their current budget in order for them to justify moving to our hosted environment and to eliminate the competitive threat from Peoplesoft. The License component needs to be priced aggressively as they will be buying licenses through the migration that will not be completely deployed until at least 12 months from now. The 50% worst case discount includes the cost of financing.

This will be one of the largest E-Business outsourcing customers secured to-date, including the OCS Unlimited Upgrade Program with a 5-year commitment that will add a total of \$7,137,600 in hosting revenue to Oracle.

Recommendation: (leave blank)

Submitted By: Jennifer Newcombe 248-614-5016

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Last revised 4/6/00



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Last revised 4/6/00

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